

Roadmap for Implementation

The timeframe for reaching the various milestones is encapsulated below. The aspects which would be attended to on an ongoing basis are indicated under the 'Ongoing' category.

Ongoing

1. Grant of authorization to operate 'payment system' under the Payment and Settlement Systems Act.
2. Publishing the list of entities authorized under the Payment and Settlement Systems Act, 2007.
3. Oversight of payment systems – including issue of directions, guidelines, minimum benchmarks, etc., for operating payment systems.
4. Identifying various risks, addressing risk-reduction by putting in place risk-mitigation measures.
5. Information dissemination, co-ordination with other regulators / regional bodies, within the country and abroad.

By June 2010

1. Carrying out review of increased usage of cards and the decline in use of cash for retail transactions.
2. Finalising information system policy framework for storage of data / information – for paper and electronic clearing modes.
3. Framing guidelines for collection of foreign-currency denominated cheques payable in locations that have significant volumes.
4. Guiding / Advising NPCI on the roadmap for various retail payment system development initiatives - 24x7 funds transfer system, redesigned ECS / ACH, etc.
5. Discontinuing High Value clearing at all locations in the country.
6. Review and progressively discontinue bilateral clearing arrangements between banks.

During the year July 2010-June 2011

1. Putting in place appropriate framework for off-site monitoring / surveillance and on-site audits / inspections / scrutinies to ensure compliance with the laid down prescriptions.
2. Publishing the Red Book on Payment Systems in India in collaboration with the Committee on Payment and Settlement Systems, BIS.
3. Reviewing and categorising the Systemically Important Payment Systems (SIPS) and System-Wide Important Payment Systems (SWIPS).
4. Reviewing
 - a. Impact of rationalization of charges on the use of various payment systems
 - b. Growth in the use of pre-paid payment instruments
 - c. Bank group-wise usage of IDL
 - d. Impact of closure of High Value clearing on MICR clearing and electronic mode.
5. Monitoring of the activities of CCIL including reviewing the shareholding pattern and management.
6. Putting in place a BCP arrangement for top 100 clearing houses in the country. Also, considering alternate settlement arrangements in the event of non-availability of RBI as settlement bank.

7. Enabling Single Window facility for all member banks that are part of the clearing houses managed by major banks for viewing and transfer of funds from / to their own accounts.
8. Extending the facility of Secured Web Site to cover all MICR-CPCs.
9. Taking steps for migrating all large value and time critical payments to the electronic mode.
10. Enabling all bank branches in the country with IFSC and MICR codes.
11. Reviewing number of settlements in NEFT based on volume / requirement / efficiency.
12. Providing confirmation to the remitter on credit to beneficiary account in NEFT transactions.
13. Commencement of various Government payments through electronic modes in co-ordination with Central / State Governments.
14. Operationalising NEFT and ECS / NECS in Bhutan. Examining the feasibility of extending NFS to cover banks operating in Bhutan.
15. Examining inter-bank funds transfer using CFMS.
16. Implementing grid-based clearing.
17. Strengthening and standardising security features on cheques to enable straight-through-processing.

During the year July 2011-June 2012

1. Extending electronic payment products to cover all branches of banks, including RRBs.
2. Facilitating government transactions through RTGS / NEFT for RBI-based payments / receipts.
3. Enabling NECS coverage to all core-banking branches in the country. NECS (Debit) operationalisation to be separately pursued.
4. Exploring implementation of RECS (Debit) in a few locations.
5. Migrating all cheques in the country to the new MICR standards.
6. Encouraging NPCI to start India Card, PoS Switch and Mobile Payments Settlement Network.

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